

099961

76-0665

09996



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

JAN 30 1976

B-1:4874

The Honorable Mark O. Hatfield,
United States Senate
The Honorable James Weaver,
House of Representatives

BEST DOCUMENT AVAILABLE



LM099961

We have evaluated the alleged improprieties at the Eugene, Oregon, Post Office as you jointly requested in your April 28, 1975, letter. As agreed with your offices, we met with the Eugene local American Postal Workers Union representatives and grouped their allegations into five categories.

DEC 01 73

77

We interviewed Postal Service and union representatives, examined Postal Service reports and documents, observed mail-processing operations at the Eugene Post Office, and reviewed Postal Inspection Service reports on that post office.

The allegations and a summary of our findings follow. A more detailed discussion of each allegation can be found in the enclosure.

1. Work Load Recording System falsification. We found no evidence of deliberate falsification of Work Load Recording System records. However, certain internal controls were weak, leaving the system vulnerable to manipulation. We made no recommendations to Eugene postal management for strengthening the internal controls because the Postal Service recognized the weaknesses and implemented a new system, the Management Operating Data system, in September 1975.

2. Unfair hiring practices. Allegations of unfair hiring practices were unfounded. All hirings examined were made according to Postal Service regulations.

GGD-76-39

~~702840~~ 099961

POSTAL FACILITIES TABLE

3. Invalid bulk mail system survey. We found no evidence to support the allegation that a bulk mail system survey at the Eugene Sectional Center Facility was invalid because it was done contrary to instructions. Except for the individual making the allegation, all parties involved said the survey was conducted according to applicable instructions.

4. Safety and health hazards. No major safety or health hazards were identified. Postal officials were taking steps to correct one minor unresolved problem.

5. Inadequate employee training for the Origin/Destination Information System and Cost Ascertainment mail tests. The allegation that employees on tour one (an evening work shift) were not adequately trained to conduct Origin/Destination Information System and Cost Ascertainment mail tests had merit. The four clerks who performed the tests said that their training was inadequate. Management officials acknowledged the problem and agreed to modify the training programs as required.

- - - -

We are sending a copy of this report to Chairman Charles H. Wilson of the Subcommittee on Postal Facilities, Mail, and Labor Management, House Committee on Post Office and Civil Service.

HS: 02904

As you requested, agency comments were not obtained.

Robert M. ...

DEPUTY Comptroller General
of the United States

Enclosure

A -

INFORMATION ON THE AMERICAN POSTAL WORKERS UNION'S
ALLEGATIONS ON CERTAIN ACTIVITIES OF THE
EUGENE, OREGON, POST OFFICE

WORK LOAD RECORDING SYSTEM FALSIFICATION

Work Load Recording System records were allegedly being falsified by (1) mail being recorded and weighed by individuals other than the responsible weighmaster and (2) mail being weighed two or more times although it was processed only once. Also, management allegedly ordered weighmasters to record all weights in pencil, thus enabling supervisors to change the weights recorded on Work Load Recording System source documents.

The system is designed to provide accurate and comprehensive mail volume and staff-hour data to all levels of Postal Service management. Reports with inflated mail weights would show a greater mail volume than actually processed and, therefore, higher productivity than actually achieved.

To determine if the records were being falsified, we observed the actual weighings or counting during the various mail-sorting operations and compared the records with source documents. No intentional falsification of the system's records was found.

No management personnel we contacted had knowledge of an instruction requiring weighmasters to use pencils in preparing forms. A weighmaster and an accounting clerk reportedly had orally requested that forms be prepared in pencil because they contained many crossouts and writeovers which made reading difficult. We reviewed all forms prepared in pencil for a 1-month period and found only a few changes to correct footing errors.

Although our review identified no falsified records, the internal controls over the system indicate a potential for record falsification.

We made no recommendations to Eugene postal management for strengthening the internal controls because the Service attempted to correct the weaknesses by implementing a new reporting system--Management Operating Data--in September 1975. The new system was adopted after several instances of deliberate production record falsification at other post offices.

ENCLOSURE

ENCLOSURE

The Postal Inspection Service also investigated the alleged falsification of production figures at the Eugene Post Office. In May 1975 the Inspection Service reported that there was no information indicating or substantiating mail volume inflation. However, the Inspection Service found instances of over- and under-recording which were attributed to errors. The Inspection Service's investigation included observations of mail-processing operations, a review of system procedures, and interviews with 10 clerks and 8 supervisors, including the postmaster.

UNFAIR HIRING PRACTICES

Ninety-day casuals (temporary appointment employees) were allegedly being converted to part-time flexibles (members of the regular work force), thereby improperly bypassing qualified applicants on the Eugene Sectional Center Facility's employment register. Also, it was alleged that since the Eugene facility's hiring register was closed, examinations were held at other cities within the Eugene sectional center area without notifying the Eugene public to enable management to transfer selected individuals' scores to the Eugene facility's closed register. The Eugene public would have thus been denied an opportunity to be hired by the Eugene Post Office.

The Service hires all its full- and part-time employees from a register of applicants who have passed the Service's entrance examination. Having passed the examination, an applicant is eligible for 2 years. When, in the postmaster's opinion, a sufficient number of qualified applicants are available to fill job vacancies, the register is closed. However, 90-day casuals may be hired without taking an examination if the hiring office cannot fill the position from the register.

Between June 1973 and June 1975, the Eugene facility hired 141 casual employees and converted 15 of them to part-time flexible clerks. The conversions were performed according to Service regulations.

We evaluated two cases brought to our attention by the local American Postal Workers Union alleging the bypassing of veterans to hire relatives. Postal Service regulations allow the hiring of relatives, but protect against nepotism by not giving the employed relatives selection authority.

In the first case, a casual clerk, the Portland District Manager's daughter, was hired over a veteran with a higher

ENCLOSURE

ENCLOSURE

examination score. The personnel assistant told us and records showed that the veteran was passed over due to his criminal record. The decision, made by the Eugene postmaster, was in accordance with Postal Service regulations.

In the second case, a casual clerk, the personnel assistant's daughter, was hired ahead of two veterans, even though their personnel records showed that they were entered on the register 2 days before the casual clerk. We checked the records of the Register Section Administration at the Service's National Test Administration and Scoring Center in Los Angeles, which is responsible for administering and scoring all tests for craft employees up to and including first-level supervisors. The records showed that the "date entered on the register" as shown on the veterans' register cards was actually the date the Center processed the veterans' examinations. The actual "date entered on the register" was stamped elsewhere on the register card. Consequently, the wrong register date was entered in the veterans' personnel records and they were entered on the register 3 days later than the casual clerk who was hired.

We also identified four individuals who were hired after their examination scores were transferred from a third-class post office in Greenleaf, Oregon, to a first-class post office in Eugene. The Eugene postmaster and personnel assistant said that Greenleaf was required to hold an examination to develop a hiring register when it was converted from a fourth-class to a third-class post office in the sectional center area. The extent that such examinations are advertised is discretionary, with the local postmaster holding the examination. The Greenleaf exam was not advertised in Eugene.

The Register Section Director, National Test Administration and Scoring Center, confirmed the requirement for holding an examination when a fourth-class post office is upgraded to third class. He said that transferring examination scores from a third-class to a first-class post office is permissible if the job applicants are not currently on the receiving post office's register even though the register is otherwise closed to new applicants.

A personnel official at Postal Service Headquarters said that such transfers are curtailed by the new (January 1, 1976) Personnel Handbook's provisions. It provides that examination scores can be transferred only to post offices having open registers. Therefore, job applicants on a closed register are better protected.

INVALID BULK MAIL SYSTEM SURVEY

A bulk mail survey at the Eugene Sectional Center Facility during February and March 1975 was allegedly conducted contrary to the Western Region's instructions, thus invalidating the results. The survey was part of a "before cost study" to determine the impact of the new bulk mail system on mail volume at the Eugene facility.

Management personnel and other survey participants, except the clerk making the allegation, said that the Western Region's instructions were properly observed. Also, the interviewees said they had no reason to disagree with the prescribed survey instructions and that the survey should produce reasonably accurate statistics.

SAFETY AND HEALTH HAZARDS

Postal employees were allegedly unable to get local management to properly inspect the Eugene Sectional Center Facility or to alleviate obvious safety and health hazards.

Postal employees have several channels for reporting safety and health hazards. They are:

1. Grievance actions.
2. Quarterly joint labor/management safety and health committee meetings as provided for in the national labor/management agreement.
3. Form 1767, Report of Hazard or Unsafe Condition.
4. Informal contacts with supervisors or other management officials.

We reviewed formal grievances, hazard or unsafe condition reports, quarterly joint labor/management safety and health committee meeting minutes, and safety and health inspection reports from early 1972 to mid-1975 to identify safety or health problems, particularly major uncorrected problems. No major safety or health hazards were identified, and only one minor unresolved problem was noted.

According to the quarterly joint labor/management committee meeting minutes of August and November 1974, union representatives felt that large fans were necessary in three dead air spaces near the letter-sorting machine for the operators' comfort. These fans were available at the post office vehicle maintenance facility. Eugene

postal officials said that small fans had been used because the larger ones might create a safety hazard. However, the large fans were mounted on the wall in July 1975, next to the letter-sorting machine, where they ran for a week before the motors burned out. A postal official said the fans would be overhauled or replaced depending on which is most economical.

In addition to acting on employee reports of safety or health hazards, the Postal Service requires periodic surveys to insure safety program effectiveness and compliance with safety standards. We reviewed Postal Service Form 1784, Safety Inspection Checklist, prepared in June 1974 for the Eugene Sectional Center Facility. This form covers 300 individual safety checks in all areas of the post office. The form indicated only five minor problem areas which were immediately corrected.

In another inspection, directed at health conditions, the Portland, Oregon, District Safety Manager took sound level measurements of the letter-sorting machine in January and July of 1974. The sectional center facility postmaster asked for the measurements because of a request by the local Labor Management Safety and Health Committee. In the initial noise-level readings, the report showed that on the operator side, all readings taken in the console positions were within the 85-decibel postal standard, while on the sweep side, all positions tested exceeded this standard but were within the 90-decibel Occupational Safety and Health Administration industry standards. After the initial readings, noise levels were reduced due to "wearing in," application of a nylon product to machine tracks, and installation of vinyl cart door stop cushions and floor carpeting.

After these improvements, the July 1974 sound-level measurement showed that all machine positions for which readings had been taken in January did not exceed 75 decibel..

INADEQUATE EMPLOYEE TRAINING FOR
THE ORIGIN/DESTINATION INFORMATION
SYSTEM AND COST ASCERTAINMENT MAIL TESTS

From 1974 to early 1975, the Origin/Destination Information System and Cost Ascertainment mail tests on tour one (an evening work shift) were allegedly inaccurate because participating employees were inadequately trained.

We interviewed the four mail clerks who performed the tests on tour one to find out how well they had been trained. One interviewee said his total training consisted of one

night of demonstration, 6 hours in all. The other three interviewees said they had no training before working on the tests but later received some on-the-job training. Two of the three interviewees said they received no training until they had been doing the work for 2 months. All four interviewees thought the training received was inadequate. and three said they still were not sure if they were performing the tests properly.

The Eugene Accounting and Reporting Systems Manager said that most of the training provided was on the job by an experienced individual, but that some formal training had been given. One individual attended a session given by the manager and two others attended a night training session given by a representative of the Management Information Branch, Western Region. Also, participating individuals are required to have the proper instruction handbooks available while performing the tests.

The postmaster and his staff acknowledged that some individuals may lack the basic knowledge to conduct tests properly and agreed to modify the training programs as required.